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1865

CONSTITUTION AND RULES

OF THE

CANADA

Permanent Building

AND

SAVINGS SOCIETY.

INCORPORATED A.D. 1855,
PURSUANT TO ACT OF PARLIAMENT.

OFFICE,
MASONIC HALL, TORONTO.

1865.



CANADA

PERMANENT BUILDING

AND

Savings' Society.

CAPITAL, - - - - -	\$1,000,000
INVESTED ON REAL ESTATE, - - -	1,300,000
ANNUAL INCOME, - - - - -	400,000

Board of Directors:

JOSEPH D. RIDOUT, President.
 PETER PATERSON, Vice-President.

J. G. WORTS,	ROBERT CASSELS,
EDWARD HOOPER,	W. C. CHEWETT,
S. NORDHEIMER	E. H. RUTHERFORD.

J. HERBERT MASON, Secretary and Treasurer.


Shares,.....\$30 each.

OFFICE:
 MASONIC HALL, TORONTO STREET, TORONTO.
 1865.

TORONTO :

PRINTED AT THE GLOBE STEAM JOB PRESS 25 KING STREET WEST.

PROSPECTUS.

 THE objects contemplated in the formation of a Building Society and Savings' Institution on the improved or permanent system are twofold: first to encourage the accumulation of Capital by securing to investors therein a remunerative rate of Interest, free from anxiety or doubt as to the safety of their funds, or the regular certainty of their returns; and secondly, to provide a fund from which the owners of Real Estate may obtain loans on the security of their property. That these objects may be satisfactorily accomplished through the medium of those Institutions, has been successfully demonstrated in England and more particularly in America, where the immense tracts of land awaiting improvement, present such extensive fields for the employment of Capital.

The history of this Institution illustrates and confirms the correctness of this statement. Commencing its operations in 1855, the Subscribed Capital at the end of each of the first nine financial years was as follows:

1855—Capital.....	\$214,200
1856 "	340,100
1857 "	401,700
1858 "	468,100
1859 "	517,550
1860 "	541,450
1861 "	602,750
1862 "	690,150
1863 "	818,550

Taking a similar retrospect of the securities held, which, as indicating the amount of funds actually invested, may be considered a more certain index of progressive increase, a still more decided augmentation appears.

The Real Estate securities held by the Society at these periods were, in—

1855—Mortgages held on Real Estate...	\$ 65,600
1856 " "	114,670
1857 " "	160,000
1858 " "	223,038
1859 " "	328,000
1860 " "	426,365
1861 " "	687,155
1862 " "	816,000
1863 " "	1,000,000

ACCUMULATING SHARES.

Shares in the Society are FIFTY DOLLARS each, and are paid up by instalments, spread over four years, payable monthly or otherwise, in advance. New Members

may join at any time, and their subscriptions commence from the time of entrance. The monthly payment for each share is one dollar, together with an entrance deposit of two dollars, making the total payment fifty dollars per share. Shares may be wholly or partially paid in advance, and a liberal discount or an equal credit afterwards is allowed on payments so made. If paid up in full at the time of subscribing, the amount to be paid for a share to mature in four years, is \$43, which entitles the holder to the amount of a share of fifty dollars, with the accumulated profits thereon at maturity. When a share thus becomes due and payable, the amount thereof may, at the option of the holder, be withdrawn from the Society, or reinvested therein, either for four years as before, or as fixed or Permanent Capital, under the provisions of the incorporating statute.

It is a remarkable fact, and furnishes unquestionable evidence of the appreciation in which the Institution is held by its shareholders, that when shares have matured and the option has been presented to the holder of withdrawing his capital or permanently fixing it in the Society's Stock, the latter alternative has been invariably adopted, and every matured share has been capitalized.

In regard to shares taken up for four years, it should be observed, that, provided the profits of the investment are not relied on as a source of income, there is no disadvantage to the shareholder in not receiving his portion of them, in the shape of an annual or a semi-annual dividend, as the profits are added to the principal half yearly by the Society, which thus charges itself and

credits the shareholder with any gain which a reinvestment of the dividend would have produced ; and this is constantly performed by the Institution, without thought or care on the part of the shareholder, who would otherwise incur the trouble and risk of making the investment himself.

Members who wish to discontinue their subscriptions on accumulating shares, and to withdraw what they have invested, are permitted by the rules to receive back what they have paid in, with compound interest thereon at six per cent. per annum. The Directors are, however, authorized to allow more than six per cent., and have from time to time added very materially to that rate. As shares approach their maturity, a premium on withdrawing more nearly approximating to the actually realized profits may be confidently relied on.

HOW THE FUNDS ARE INVESTED.

The funds of the Society are invested in loans on mortgage under the supervision of a Board of Directors chosen annually by the Shareholders from among themselves ; and in order to guard against the fluctuations to which property in this country is liable, a margin of from 100 to 300 per cent. and upwards, is maintained in the value of real estate, held in security. By adhering to this rule, and by carefully selecting its investments—more than five-sixths being improved farms—the Association has satisfactorily passed through a crisis of great severity, which has shaken many older establishments, and severely tried the financial resources of the Province.

PROFITS.

The profits of the Society are derived principally from the constant reproduction, at compound interest, through a series of years, of the periodical instalments paid by borrowers and investors on their shares. There are, moreover, other sources of Profit, among which are the purchase, at less than the realized profits, of the shares of members withdrawing, fines for default, the gain on the Deposit or Savings' Bank Branch, &c., &c., which increase the rate paid to investors without adding to the interest received from borrowers.

The annual dividends apportioned to Shareholders after deducting expenses and making ample provision for future contingencies, have exceeded an average of 12 per cent. from the commencement, and notwithstanding the reduction made in the rates charged to borrowers, which may cause a somewhat lower rate to be paid in the future, it is believed that from the improved class of securities offered and consequent lessening of risk, no considerable diminution need be expected. The Society has already paid to shareholders for profits on matured shares and fixed stock, upwards of \$200,000, in addition to about one-half that sum which has been capitalized, and to a large amount paid as premium for shares which have been purchased from the holders before becoming due.

PERMANENT STOCK.

Formerly, many persons were deterred from investing in this Society, in consequence of there being no return

made on its Stock for several years ; the Society having been prevented by the terms of its charter from paying any portion of the Profits to Shareholders, unless the principal was also withdrawn. The attention of the Conductors of the Institution was early drawn to this subject, and being desirous of extending as generally as possible the benefits afforded by the Society, they originated and aided in procuring the passage of an Act, which entirely removes this objection, by permitting members to capitalize their Shares when paid up in full and matured, after which, they become entitled to yearly or half yearly dividends. If thus invested as fixed capital, the holder will be entitled to draw a periodical dividend, payable annually or semi-annually, as the Directors may find by experience to be most beneficial. Shares converted into fixed Stock, become permanently invested in the Society, but may be sold and transferred, and it is believed that the unquestionable securities on which the business of the Society is based, together with the reasonable prospect of a regular and remunerative dividend, will present such inducements to investors as will at all times, in the future as it has in the past, secure for the Stock a ready sale in the market. As now constituted, it is believed that a lender can invest his capital through the medium of this Institution, at least as profitably as, and more satisfactorily than by a direct transaction with the borrower. He relieves himself from the trouble of having to investigate the title to the property offered in security, or the risk of its proving defective ; from all concern as to the ability

or inclination of the borrower, to meet his engagements punctually; from the importunities of improvident or unfortunate debtors; from being obliged to consent to delays and indefinite extensions, with the knowledge that, presuming on his forbearance, opportunities for making timely provision have been neglected; or, from the unpleasantness, anxiety, and uncertainty of a law suit. All these contingencies and many more, are provided against, or assumed by the Society.

BORROWERS' ADVANTAGES.

Nor are the advantages alone to the Investor. Without encouraging visionary expectations of obtaining money at the low rates of interest current in older and wealthier communities, this Society affords a mode of repayment which enables the borrower with ordinary exertion and forethought to redeem his property by the payment of the mortgage debt in small instalments derived from the produce of his industry. The payment required by the Society of $16\frac{1}{2}$ per cent. per annum, which pays off both principal and interest of the loan in 10 years, is little more, and, in some cases, even less, than has frequently been paid for interest alone. The borrower applies to the Institution as a matter of right, and chooses his own time for redemption, with the assurance that he is giving fair value for what he receives, and therefore in nowise compromises his independence; that by promptly meeting the small periodical payments on his shares, which no individual Mortgagee would accept, he is gradually paying off his

Mortgage; that he is not subject to the caprice of any individual who may sacrifice his property by enforcing payment unexpectedly; and that should he wish to sell, exchange, or redeem his property, he can at any time accomplish his purpose on certain equitable principles.

DEPOSIT BRANCH.

Temporary deposits from shareholders or others, subject to withdrawal, may be made with the Society, which affords all the advantages of a SAVINGS' BANK, together with an increased rate of interest and more accommodating terms than these institutions generally allow.

The whole Capital and Assets of the Society are pledged for the security of money received on deposit, and being all invested on Real Estate, no safer guarantee can be given or required.

Perhaps in nothing is the increase and extent of public confidence more clearly exhibited than in the gradual development of the Deposit Branch, as shown by the following figures:—

The Deposits held at the end of each financial year to 1863 inclusive, were—

1855—Deposits held.....	\$ 32,952
1856 “ “	50,530
1857 “ “	50,037
1858 “ “	63,357
1859 “ “	68,081
1860 “ “	99,506
1861 “ “	151,091

1862—Deposits held.....	182,991
1863 “ “	227,835

Deposits are received and interest allowed as follows :

On sums of from \$10 to \$100—					repayable on demand—	5	¢
"	"	"	40 to	300	"	on 30 days' notice,	6
"	"	"	300 to	800	"	"	6
"	"	"	over	800	"	"	6

Interest is payable half-yearly, in January and July.

SPECIAL DEPOSITS AT 7 PER CENT.

The Society receives money in sums of one or more hundreds of dollars, for which Deposit Certificates are issued, repayable after one year's notice, and bearing interest at 7 per cent. per annum, payable half-yearly.

These Certificates are transferable and payable to bearer, and it is believed will be easily convertible on the market, if the holder desires to realize without giving the required notice.

In order to insure perfect security to Depositors, the Legislature has provided that the whole amount of deposits held shall never exceed in amount three-fourths of the paid-up capital actually invested in Mortgages on Real Estate. It will be observed, however, that the amount held by this Institution scarcely reaches one-half the prudent limit fixed by Law.

GENERAL.

The success of the Institution is now no unsolved problem. During the past years of its existence, the comparatively large amount of business it has been the

medium of transacting, is evidence of its adaptation to the wants of the country, both as an accumulating and dividend-paying investment, and as a means of obtaining loans. Its Prospectus, Rules, and Annual Reports are freely circulated; inquiry into its nature, objects, system, and management is cordially invited, in the full assurance, that the principles on which it is conducted, give this Institution peculiar advantages as a successful and reliable intermediary between the possessor of capital, whether in large or small sums, and the landed proprietor who may require to borrow.

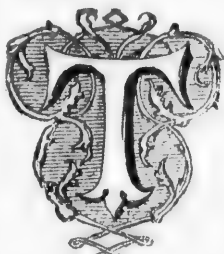
Persons residing out of Toronto, desirous of purchasing, transferring, or subscribing for shares, can do so by Power of Attorney, blank forms for which may be obtained from the office.

Tables of Rates for Loans, and any further information, may be obtained on application (if by letter, post-paid) at the Society's office.



RULES.

NAME AND OBJECTS OF THE SOCIETY.



HIS Society shall be called the "CANADA PERMANENT BUILDING AND SAVINGS' SOCIETY," and the intents and purposes for which it is established, are to assist the members thereof in the acquisition of freehold or leasehold property ; in the erection of buildings, and otherwise improving the same ; and in the removal of incumbrances or liabilities upon property already held by them ; and to enable them to receive the amount of their shares in advance, upon furnishing good mortgage security ; and to facilitate the accumulation and the borrowing and redemption of capital.

UNADVANCED SHARES—MODE AND TIME OF PAYMENT.

II.—The capital Stock of the Society shall consist of the unadvanced shares of the members thereof, either fully paid up and invested as fixed or permanent capital, or in course of accumulation.

Each member shall pay thereon a monthly subscription of one dollar per share for and during the full term of four years, or four dollars per share for one year, to

commence and be paid on and from the first day of any month in or after which he shall be admitted in respect of each new share, and shall also pay on entering a deposit of two dollars per share, making the total payments on each unadvanced share FIFTY DOLLARS. After each share shall have been fully paid up, the amount so paid, with the net accumulated profits thereon, shall be due and payable to the holder thereof, and may then either be withdrawn from the Society, or invested therein as fixed or permanent capital.

III.—All persons upon taking Stock in the Society, shall sign the rules, in a book to be kept for that purpose, and shall then elect the term in which such share or shares shall be paid up. The time for which shares may have been originally taken up, may, on the application of the holder thereof, be changed to any other time on such terms as the Directors may from time to time determine. And the Directors shall have the power from time to time to limit the number of new shares taken, or to charge a premium thereon, such premiums to form a part of the general funds of the Society.

IV.—Monthly subscriptions, and all repayments, fines, and other payments, shall be paid at the Society's office, on the first day of every month, or when the first day falls on Sunday, or a legal holiday, then on the day following, or to any of the Society's agents authorized to receive the same, three days previously, until otherwise ordered by the Directors.

SHAREHOLDERS PAYING IN ADVANCE.

V.—Shareholders making an immediate deposit of money, for the purpose of meeting in advance their monthly dues, shall be allowed interest on the amount so deposited, or so much thereof as shall remain after deducting instalments due, at the rate of six per cent. per annum, or such lower or higher rate as the Directors may from time to time determine; or shareholders paying any certain number of monthly subscriptions in advance, may, with the consent of the Directors, be allowed a like number of additional months' credit without being subject to fines. All monies paid by members, or which may be in possession of the Society, belonging to any member who may be in arrear, shall be applied to his account in such manner as the Directors may from time to time direct.

POWER TO BORROW OR RECEIVE MONEY ON DEPOSIT.

VI.—The Directors are authorized to borrow money for the use, and on the assets of the Society; to receive money on deposit, in large or small sums, and to pay such interest therefor, and under such regulations as they may, from time to time, deem advisable; and to loan or invest such money, either on mortgage of real estate, or in any other way they may think best for the interests of the Institution.

APPLICATION OF FUNDS.

VII.—All moneys which shall from time to time be subscribed, paid or given to or for the use or benefit of

the Society, or which shall in any wise belong to the Society shall, after providing for the payment of the expenses and liabilities of the Society, be appropriated and applied in paying off such shares as shall have become due and payable to the holders thereof, in the purchase of such shares as members may desire to withdraw, and in loans or advances to the several members. Should the funds of the Society not be taken up by the members at the usual rates charged by the Directors, such funds may be otherwise invested for the benefit of the Society at the discretion of the Directors, of which members may nevertheless avail themselves.

DIVISION OF PROFITS.

VIII. Hereafter, the financial position of the Society shall be ascertained on the 31st of December in each year, and the profits and losses shall then be apportioned equitably and equally between the investing members, in proportion to the value of their shares, and the time for which they shall have been members, in respect thereof. But, if the Directors shall consider it for the advantage and well-being of the Society to set apart a portion of such profits for contingencies, they shall have the power to do so, and the same shall form a part of the general funds of the Society. Such portion of the net profits thus ascertained and apportioned as shall appertain to shares which shall not have been fully paid up, shall be placed to the credit of such shares, to be payable, together with the principal sum, on their becoming due, and such portion of the net profits, thus

ascertained and apportioned, as shall appertain to shares which shall have been fully paid up and invested as fixed or permanent capital or shares in the Society, shall be payable to the holder of such share or shares. And if the Directors shall in their discretion see fit to declare a dividend at a semi-annual period, or to make a less reservation for contingencies on shares which, when paid up, shall be invested as fixed or permanent capital, than on such shares, as when paid up or due, are withdrawn from the Society, they shall have the power to do so. And on shares becoming due during the currency of any year, the same proportion of profits shall be payable as would have been paid at the date of the previous annual statement, unless in the opinion of the Directors, there are circumstances which render advisable an increased or decreased amount.

RESERVE FUND.

IX.—There is and shall be a Reserve Fund, consisting of the assets already set apart by the Directors as such fund, together with such sums as the Directors shall from time to time direct to be deducted or retained under the powers hereinafter conferred upon them, and together with the profits and increase of such assets and sums. And the said Reserve Fund does, and shall belong to the Holders of Permanent Shares for the time being, in proportion to the number of their shares, and shall be invested and reinvested in like manner as the other funds of the Society, and the same, or any part or parts thereof may, according to the judg-

ment of the Directors, from time to time or at any time be either retained as such Reserve Fund or divided among the holders of permanent shares for the time being, in proportion to the number of their shares.

The Directors may, from time to time, retain such proportion as may at such time seem expedient, of the ascertained net profits undivided on the permanent shares, and add the same to the reserve fund; and the Directors shall hereafter, from time to time, upon the conversion into a permanent share or shares of any share hereafter to mature, deduct and retain out of the profits, payable in respect of such share or shares at the time of such conversion, and add to the said reserve fund a sum bearing, as near as may be, the same proportion to the par value of such share or shares as the then existing reserve fund shall bear to the par value of the whole number of the then existing permanent shares, and one rate for this purpose shall be struck by the Directors half-yearly, or oftener, if they shall at any time deem it expedient to alter the existing rate.

All provisions in the rules, inconsistent with this rule, are hereby altered and amended so far as, but no further than is necessary to give effect to this rule; and all such provisions are to be read and construed as so altered and amended by this rule.

TRANSFER OF SHARES.

X.—Any shareholder may transfer his share or shares by causing an entry of such transfer to be made in the books of the Society, in such manner as the

Directors may appoint, and thereupon the transferee, (after signing the rules) shall be entitled to all the privileges of the original shareholder.

WITHDRAWAL OF SHARES.

XI.—Any member being desirous of withdrawing from the Society, part or the whole of his unadvanced shares, provided such shares shall not have been invested as fixed or permanent capital, may, at the discretion of the Directors, be allowed to do so, and may receive back the net amount of his monthly subscriptions paid up, with compound interest at six per cent. per annum, calculated half-yearly, deducting any fines, interest, or forfeiture due or paid thereon. Provided that no member shall be entitled to receive interest on any share on which less than six monthly subscriptions shall have been paid. But the Directors may pay a higher rate of interest than six per cent. to members withdrawing, if they think it advisable to do so.

REGISTER OF SHAREHOLDERS.

XII.—The name and place of abode of each Shareholder shall be entered in a registry book to be kept for the purpose; and any member changing his residence shall, within one calendar month thereafter, give notice, in writing, to the Secretary of such change, and of his new place of abode and address, or in default thereof, be fined fifty cents.

XIII.—In case of the death or insanity of any member, the legatee or legal representative of such member

shall, before becoming entitled to the privileges of an original shareholder, procure his place of abode and the particulars of his title to be registered in the books of the Society, and shall at the same time exhibit the will or probate thereof, or grant of letters of administration or other document, (as the case may be,) for the inspection and satisfaction of the Directors.

MODE OF OBTAINING AN ADVANCE OF MONEY.

XIV.—Any member entitling himself to an advance of a Share or Shares, shall give notice, in writing, to the Secretary, of the situation, tenure, description, and full particulars of the property proposed to be mortgaged by such member to the Society, in such form as the Directors shall prescribe; and shall deposit with the Secretary all necessary title deeds and documents relating thereto, and also such sum as the Secretary may consider requisite to meet any necessary expenses. Should any Shareholder decline to take up the amount awarded him, or fail to complete the necessary securities to the satisfaction of the Directors within one month, such member shall pay a fine of fifty cents per Share, per month, if required by the Directors, whether any deposit has been made or not; and the Directors may otherwise dispose of the money granted to such member.

ADVANCES HOW MADE AND ON WHAT SECURITY.

XV.—The Directors shall have the power to regulate the amounts applicable for advances, the time and man-

ner of making the same, the interest and bonus payable thereon, and the time and amount of the repayments to be made in respect thereof.

The repayments on advanced Shares shall be for a fixed period, in respect of each share, and shall not be liable to the contingency of losses or profits in the business of the Society, and after a share has been advanced to any member, he shall take no part in the management of the affairs of the Society in respect thereof.

XVI.—The Directors may accept property situated anywhere within the limits of that part of the Province formerly Upper Canada, or the unadvanced Shares of any member of the Society as security for loans. The Society shall have a first lien on all shares held by any member indebted or liable to the Society for the amount of such debt or liability.

XVII.—All mortgage deeds and securities to the Society shall be prepared in such form, and contain such clauses, provisoes and agreements as the Solicitors for the Society shall think fit, with the approval of the Directors; and that in case the mortgagor shall at any time or times, neglect or refuse to pay his repayments, fines or other payments, for the space of six months successively, then the Directors may, either with or without the concurrence of the mortgagor, appoint a person, or persons, with such salary or commission as they may think proper, to collect the rents and profits of the mortgaged premises; with the same power of enforcing payment as the mortgagor himself may possess;

also, power to sell and dispose of such premises, by public auction, or private sale, when the Directors shall think proper. And that in case the mortgagor shall be himself the actual occupier of such mortgaged premises, then the mortgage deed may contain stipulations that he shall become tenant to the Society, at a fair rent to be named in such deed; and the Directors shall have power to distrain as between landlord and tenant. And the Directors shall have the power to make such arrangements for the repairing or keeping in repair, or for finishing or putting in order, any buildings or other improvements, or for taking care of, and managing generally, the mortgaged property, as they shall deem expedient; and all charges or expenses attending the same, shall be paid by the mortgagor, and shall be a charge upon the mortgaged property. And when any sale shall take place of any property mortgaged to the Society, the Directors shall have power to retain and apply so much of the purchase money as will be necessary to pay the same sum as would be required to redeem the property, pursuant to the provisions contained in these rules; together with all other payments, moneys and expenses due to the Society, and to pay the surplus thereof to the mortgagor, or whoever shall appear to be entitled to receive the same.

INSURANCE OF MORTGAGED PREMISES.

XVIII.—All property secured to the Society, consisting of buildings, shall be insured by the mortgagor, if required by the Directors, in such sum and office as

they shall think advisable; and the policy or policies shall be in the name of, or shall be assigned over to the Society. In case any member, having executed a mortgage to the Society, shall make default in payment of the expenses which may be incurred, in and about insuring, and keeping insured, the mortgaged premises, or of the ground rent or other payments to which the said property may be subject, pursuant to the covenant in the mortgage deed, he shall pay such fine as he would have incurred for the non-payment of an equal amount of re-payments, at the time appointed for the payment thereof: the Society not to be responsible for any consequences arising from any omission in the payment of the premium, or other payment due on any Policy of Insurance.

XIX. Every member executing a mortgage to the Society shall, if required at the time of such execution give to the Secretary a written statement of all such particulars relating to the property comprised in such mortgage, as are usually required by Insurance Companies; and if at any subsequent period any trade shall be commenced, or erection made, or other matter or thing shall take place which would in any way affect the validity of the Policy of Insurance, the like statement shall be given; and the member neglecting to give such statement shall pay a fine, at the discretion of the Directors, of not more than twenty-five cents, but not less than three cents per week for each share; and the Directors shall, if they think fit to do so, at least once in

every year, appoint some competent person to obtain all the information he can with respect to trades, &c., carried on in and about the mortgaged premises, and to report to the Directors accordingly.

XX.—In case of damage by fire, the Directors shall receive, from the Insurance Office, the amount payable in respect of such damage; and the receipt of the Secretary and Treasurer of the Society, shall be a sufficient discharge, to the Insurance Office, for the money therein expressed to be received; and the Directors shall have full power to settle and adjust with the Insurance Office any question relating to such insurance, and to accept the amount to be paid by the Insurance Office, in respect to the damage done to the premises; or to make such arrangements with the Insurance Office as to the rebuilding or repairing of the said premises, or relating thereto, as the Directors shall think reasonable.

XXI.—The Directors shall, at their discretion, either lay out the money which shall be received from any Insurance Office as aforesaid, or any part thereof, in repairing the damage done to the premises; or pay the same to the mortgagor or his representative; or retain and apply the same, or such part thereof, as they shall think fit, in or towards payment and satisfaction of the amount which shall be due from the mortgagor to the Society, and pay the surplus, if any, to the mortgagor, or to such other person as he shall (by writing) direct to receive the same.

SALE, EXCHANGE, OR REDEMPTION OF PROPERTY
MORTGAGED.

XXII.—If any member who shall have executed a mortgage to the Society, shall desire to sell the mortgaged property, subject to the mortgage, he shall be at liberty so to do, with the consent of the Directors, upon first duly transferring the shares secured by such mortgage, to the intended purchaser, in manner provided by these rules; and upon such transfer being completed, and all arrears due to the Society, from the mortgagor, being paid, and the conveyance to the purchaser executed, such purchaser shall thenceforth become liable to pay all repayments payable in respect of such Shares; and the Directors may grant to the original mortgagor, and at his cost and charges, a release from all future liability in respect thereof.

XXIII.—It shall be lawful for any member, having executed a mortgage in favour of the Society, to substitute, at his own expense, and subject to the approval of the Directors, any other property, as security to the Society, in lieu of the property originally mortgaged.

XXIV.—If any member shall desire to have his property discharged from a mortgage to the Society, before the expiration of the full term for which it has been taken, he shall be allowed to do so on payment of all repayments, and any fines and other sums due in respect thereof, up to the time of the redemption of such mortgage, and of the present value of the future repayments, calculated to the end of the term, and

discounted at such rate of interest, and on such terms as the Directors may determine.

XXV.—On the redemption of any security by a member, or when all repayments have been made by him on advances pursuant to these rules, a full discharge of such security shall be executed, and the same shall be delivered to such member, with all other deeds and documents deposited by him in connection with such security; and such discharge shall be prepared, and the necessary signatures obtained, and any matters relating thereto transacted, by the Solicitor to the Society at the expense of such member.

FINES.

XXVI.—The fines for the non-payment of the monthly or other repayments or subscriptions on advanced or unadvanced shares on the day on which the same are made payable by the rules of the Society, or of any other moneys whatsoever, due and payable by any member, until otherwise ordered by the Directors, shall be at the rate of one cent in the dollar per month, on the amount due, and the same shall accrue and be payable immediately after the monthly subscription day, and shall be chargeable to such member until all arrears are paid. But the Directors shall have the power from time to time to increase or reduce the fines for the non-payment of money due, to an amount not exceeding two cents, nor less than one cent, in the dollar, per month if they shall see fit. When the fines on unadvanced shares shall equal the amount of subscriptions paid

thereon, such share or shares, and the interest of any member in respect thereof, shall be forfeited to the Society. Provided that after any share shall be in default, the Directors shall have power to recover from such shareholder the amount due to the Society by an action of debt in any court of competent jurisdiction.

BANKING ARRANGEMENTS.

XXVII.—The Directors may make such arrangements with any of the Chartered Banks doing business in the City of Toronto, or any Banking Company in Great Britain, for the deposit of moneys and securities belonging to the Society, and for conducting other financial matters, as they shall, from time to time, deem necessary.

XXVIII.—No moneys shall be drawn from the Bank without the signature of the President, (or in case of his absence or illness, of the Vice-President or Chairman appointed *pro tem.*) and of the Treasurer.

GENERAL MEETINGS.

XXIX.—A general annual meeting of the members shall be held at the office or rooms of the Society, or such place as the Directors may appoint, on the second Wednesday in the month of February in each year, for the purpose of electing four Directors to serve for the ensuing two years, and for all other general purposes relating to the management of the Society; and at each of the said general annual meetings shall be submitted a full and clear statement of the affairs of the

Society for the year ending on the thirty-first day of December previous.

XXX.—Extra general meetings of the members of the Society may be called by the Directors, upon the members being notified of such meeting, through the Post-Office, or otherwise, at the discretion of the Directors. Any ordinary or special meeting of the members or Directors may be adjourned, from time to time, and such business may be transacted at such adjourned meetings as might have been transacted at the original meetings from which the adjournment took place.

VOTING.

XXXI.—The election of Directors shall be by ballot, and at such election, any member either personally present, or represented by any other member as his proxy, shall be entitled to vote according to the following scale:—

For 1 Share	1 Vote.
“ 2 or 3 Shares.....	2 Votes.
“ 4 or 5 “	3 “
“ 6 or 7 “	4 “
“ 8 or 9 “	5 “
“ 10 or 11 “	6 “
“ 12 or 13 “	7 “
“ 14, 15 or 16 “	8 “
For 17, 18 or 19 Shares.....	9 “
“ 20 to 24 “	10 “
“ 25 to 29 “	11 “
“ 30 to 34 “	12 “
“ 35 to 40 “	13 “

And 1 vote additional for every ten shares over forty. Provided that no member shall be entitled to more than one hundred votes, nor shall act as proxy for more than twenty-five other members, and that no member shall vote at the election of Directors or on any other question in respect of any share, within three months after he shall have been admitted in respect thereof, and on which less than three monthly instalments shall have been paid.

XXXII.—All questions at the annual or other general meetings of the Society, except the election of Directors as before mentioned, and except as provided by statute, shall be decided by a majority of the members holding unadvanced shares, either in person or by some other member as his proxy represented at the meeting; the Chairman of any meeting, either of the Directors or members, to have a casting vote in addition to his vote as a member or Director.

DIRECTORS.

XXXIII.—The affairs of the Society shall be under the control and management of a Board of eight Directors (of whom five shall form a quorum for the transaction of business), who shall hold not less than twenty-five unadvanced shares each; and who shall choose from among themselves a President and Vice-President. No Director shall hold the office of Treasurer, Surveyor, or Solicitor of the Society. The Directors shall be elected for the term of two years, four to retire annually, but

shall be eligible for re-election : the four who shall retire at the first annual meeting of the Society, to be decided by lot, as the Directors may determine.

XXXIV.—The Directors elected at the formation of the Society, or hereafter to be elected, shall continue in office till the election of their successors, unless in case of disqualification or resignation.

XXXV.—The Directors shall, at a special meeting to be called for that purpose, or at any other meeting, if all the remaining Directors be present, have power to fill up any vacancy that may arise in their own body in the course of the term of two years, by a vote of not less than two-thirds of the Directors present ; and the Board shall have power to make any By-Laws and Regulations for the guidance of the Society, its Officers, Agents, and Shareholders, provided that such regulations are not inconsistent with the general rules or the Acts under which the Society is incorporated.

XXXVI.—In the absence of both the President and Vice-President, the Directors present, at any meeting of the Board, shall have power to appoint a Chairman, *pro tem.*, and with such Chairman shall be competent to transact the business of the Society.

XXXVII.—If any Director shall die, or resign, or become incapable to act as Director, or become bankrupt, or insolvent, or compound with his creditors, or cease to hold the required number of unadvanced Shares, or be removed from his office by a resolution of a special general meeting of the members, or shall for three

months successively be absent from the meetings of the Board, without the consent of the Directors, he shall thereupon cease to be a Director of the Society; and the Directors may appoint another member of the Society to be a Director in his place, as hereinbefore provided; and no Director shall, at any meeting of the Board, take part in any discussion, or vote on any question in which he shall be personally interested.

XXXVIII.—The Directors shall be paid the sum of two dollars each for each Board or Committee Meeting they may respectively have attended on the business of the Society, and shall be indemnified out of the funds of the Society, or otherwise, from all expenses in reference to the formation, conduct, and management of the Society.

SOLICITORS.

XXXIX.—One or more Solicitors shall be appointed, who shall transact such necessary business of the Society as the Directors may require, for which he shall receive a fair and reasonable allowance.

XL.—The Solicitor shall investigate the title to any property offered by any member as security to the Society, and shall in all cases render to the Directors a report, in writing, whether such title be deemed by him good and sufficient for the purposes of the Society; and shall prepare all necessary mortgage deeds and instruments in favour of the Society. The Solicitors and Surveyor's fees and other charges shall, in all cases, be paid by the member on whose account they may be incurred.

SECRETARY AND TREASURER.

XLI.—A Treasurer shall be appointed, who shall also perform the duties of Secretary, and who shall be empowered to receive and pay all moneys for and on behalf of the Society, and his receipt shall, in all cases, be a sufficient discharge; and he shall deposit with the Bank all such moneys as he shall have on hand, when they amount to \$100. He shall attend all meetings of the Directors or members of the Society: enter minutes of all resolutions or proceedings in the minute-book, and shall keep the accounts in order,—in proper books to be provided for that purpose,—and prepare the same, or a balance-sheet thereof, for the inspection and signature of the Auditors. He shall summon the Directors to all meetings (by circular), and issue all circulars and notices to members which may, from time to time, be thought necessary by the Directors; conduct the correspondence of the Society, and perform all other duties that the nature of his office may require.

XLII.—The proceedings of the Society shall be entered in a minute-book, in detail, in such manner as the Directors may, from time to time, direct; such entries to be signed by the President, Vice-President, or Chairman, as well as by the Secretary and Treasurer.

APPRAISERS.

XLIII.—Persons approved by the Directors may, from time to time, be appointed as Appraisers, who shall receive proposals for loans, examine the property offered

as security to the Society if the Directors shall consider it necessary, and shall render to the Directors a report in writing of the state and value of such property, with such further particulars as may be required, in such form as the Directors shall prescribe, and who shall be paid such fees as the Directors shall think reasonable. It shall not be a part of the ordinary duties of an Appraiser to receive subscriptions or other moneys on account of the Society, and no payment of money to, or undertaking by, an Appraiser shall be held to be a payment made to or an undertaking by the Society unless such Appraiser be specially authorized to receive such payment or contract such undertaking. And any payment made by the Society to a person holding the office of Appraiser on the order of any member or other person shall be held to be a good and sufficient payment to all intents and purposes whatsoever.

CHANGE OF OFFICERS.

XLIV.—Neither the Solicitor, nor Secretary and Treasurer, shall be removed from their respective offices except at a meeting specially convened for that purpose, and by a majority of the whole Board of Directors.

INSPECTION OF ACCOUNTS AND APPOINTMENT OF AGENTS.

XLV.—The Directors shall, from time to time, appoint one or more of their members to inspect the books and accounts kept by the Secretary, and shall have power to appoint persons as special or general Agents to transact any business for the Society, and to

pay them out of the funds of the Society such remuneration as they shall think reasonable; and subscriptions or other moneys may be paid to such agents, when duly authorized to receive the same; and such agents shall transmit the same, with an account, to the Secretary, without delay, according to their instructions. No agent or appraiser of the Society shall have, or shall be held to have, power to bind the Society in any way, beyond what he shall be authorized and instructed by the Directors.

WHEN AND HOW THE SOCIETY MAY BE DISSOLVED.

XLVI.—No dissolution of this Society shall take place unless its affairs be deranged, or its principles prove inadequate to promote its objects, or its funds be insufficient to meet the claims, or from any other such cause, rendering the dissolution absolutely necessary, and then only by a vote of at least two-thirds of the members present, either in person or by proxy, at a special general meeting to be called for that purpose.

CONSTRUCTION OF RULES.

XLVII.—In the practical application of these Rules, or any rules hereafter to be made in virtue thereof, the construction put upon them by the Board of Directors shall be final and conclusive. Every word in the singular number shall be applicable to the plural, and every word importing the masculine gender shall, where necessary, be understood to mean a female as well as a male, unless there be something in the subject-matter or context repugnant to such construction.

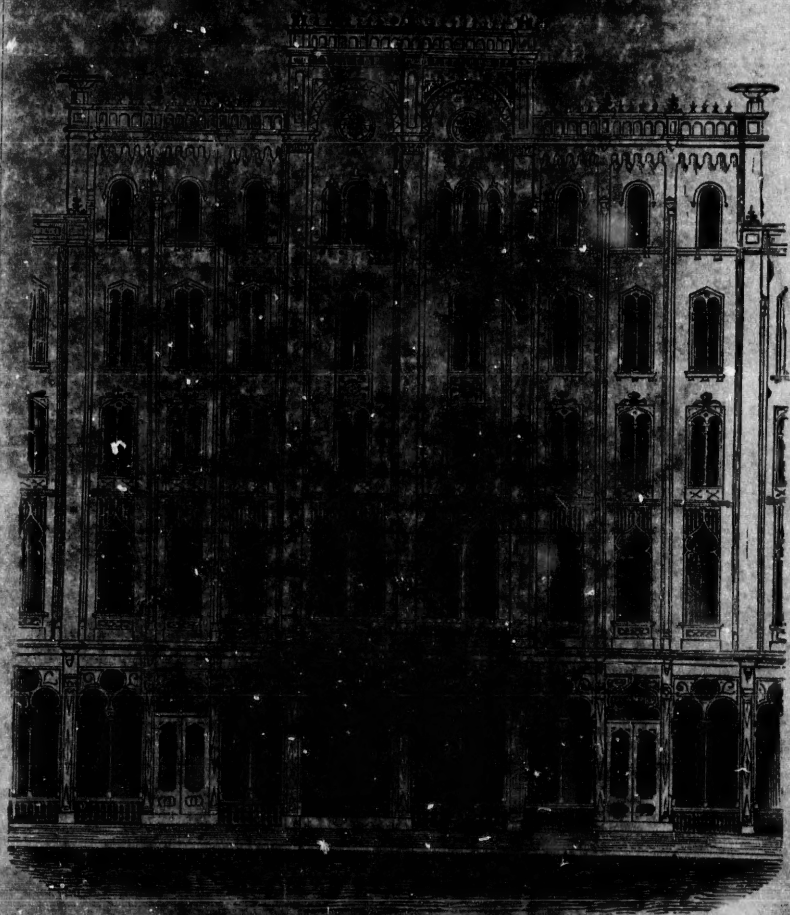
ANNUAL STATEMENT, 1864.—CASH ACCOUNT FOR THE YEAR 1864.

RECEIPTS.		EXPENDITURE.	
	\$		\$
Balance 1st January, 1864	28,629 24	Advances secured by Mortgage on Real Estate	417,400 00
Instalments on Mortgages	298,632 61	Deposits repaid and Interest	127,532 20
“ on Investing Shares	122,934 22	Stock purchased and cancelled	9,676 00
Deposits	208,394 85	“ on Matured Shares	10,050 40
Principal and Interest on Investments	6,789 31	“ on Capital Stock	44,741 93
		Votes of Gen. Meeting to President & Directors	1,948 00
		Incidental Expenses, including Rent, Taxes,	8,214 88
		Fuel, Salaries, Stationery, Printing, &c.	13,498 35
		Disb. on acc. of members on mortgage property	79 80
		Office Fixtures and Furniture	60 00
		Law Costs and Charges	1,793 75
		Temporary Investments	512 96
		Agency and Travelling Expenses	29,771 96
		Balance	\$665,380 23

GENERAL ABSTRACT OF ASSETS AND LIABILITIES.

GENERAL LIABILITIES.		ASSETS.	
	\$		\$
Sundry unpaid Accounts	1,292 57	Mortgages bearing Interest :	\$1,106,546 95
Deposits and Interest thereon	323,498 33	Instalments not due	85,207 65
LIABILITIES TO MEMBERS.		“ past due	
Payments in advance, and Interest thereon ..	149,474 18	Arrears on Investing Shares	1,191,754 60
Capital Stock	681,538 26	Temporary Investments, Bank Stocks & Mort-	3,915 66
Accumulating Stock	297 79	gage Securities	57,576 29
Matured Shares	24,037 07	Office Fixtures and Furniture	1,200 05
	22,104 97	Cash on hand	\$142 26
Dividends unclaimed for	33,323 60	“ in Bank of Upper Canada	14,646 59
9th Dividend declared	48,651 79	“ of Toronto	14,983 11
Permanent Stock Reserve			
Contingent Fund			
Profits on accumulating Shares			
	\$1,284,218 56		\$1,284,218 56

SOCIETY'S OFFICE,



TORONTO STREET, TORONTO.